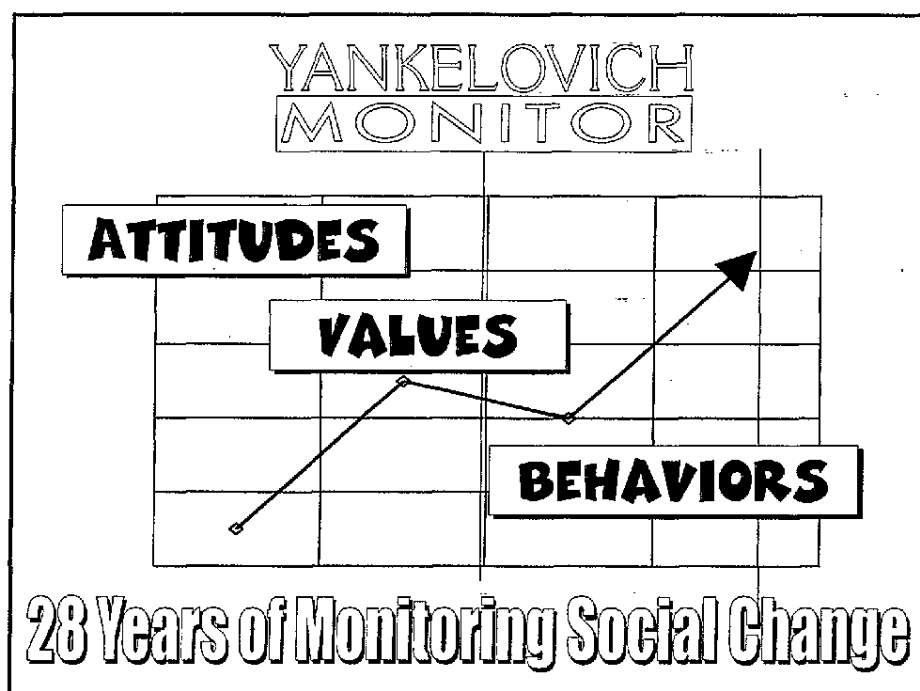


# YANKELOVICH MONITOR

Presented to  
**PHILIP MORRIS U.S.A.**  
April 26, 1999



2070088845

ME

Consumers now live in a world that's not built  
by others . . . but one that's built by ME

ME

dot

**Forget the Flashbacks!**  
**The "ME" Decades**  
**Aren't Back**

2070088846

ME.1

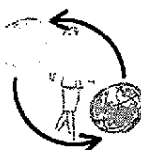


World Revolved  
Around ME

ME.2



World Built By ME



ME.1

- Fulfilling my needs
- Very public
- I am SPECIAL

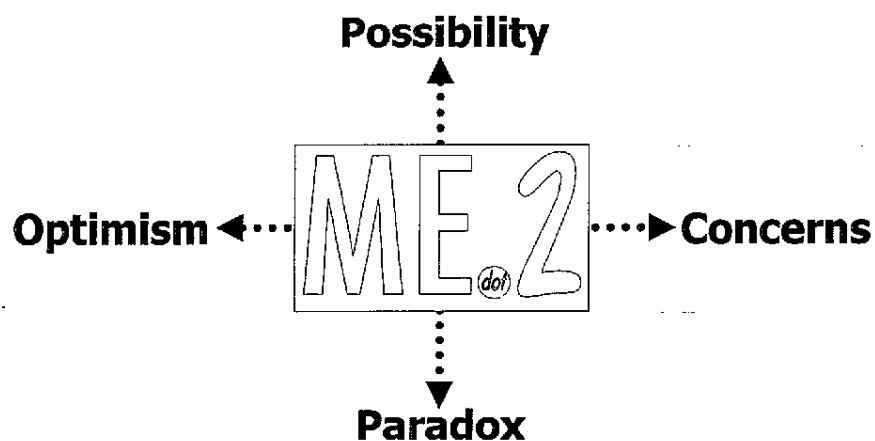


ME.2

- Shaping my life
- Very personal
- I am ME

2070088847

## Rooted in the Realities of the Late 1990s



## Possibility

Moving  
Forward

Self-  
Reliance

Opportunity

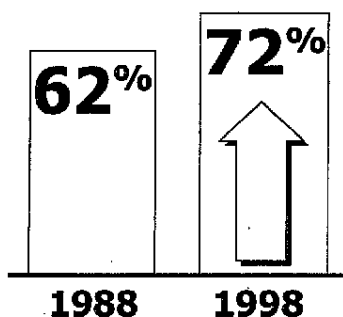
2070088848

# Self-Reliance

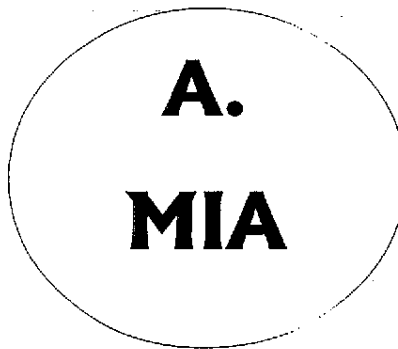
#1 "Great deal  
of confidence"



Rely more on  
own instincts  
than experts



# Self-Reliance



2070088849

# TRUST: A BUNKER MENTALITY

<b>"Great" confidence:</b>	<b>1987</b>	<b>1996</b>	<b>Today</b>
<b>Doctors</b>	<b>69%</b>	<b>59%</b>	<b>58%</b>
<b>Public schools</b>	<b>46</b>	<b>27</b>	<b>26</b>
<b>TV news</b>	<b>54</b>	<b>27</b>	<b>25</b>
<b>Newspapers</b>	<b>49</b>	<b>21</b>	<b>19</b>
<b>Federal government</b>	<b>18*</b>	<b>12</b>	<b>11</b>
<b>Corporations</b>	<b>20</b>	<b>7</b>	<b>7</b>

\*1991 data

Life As We Live It Today  
→ **PARADOX** ←

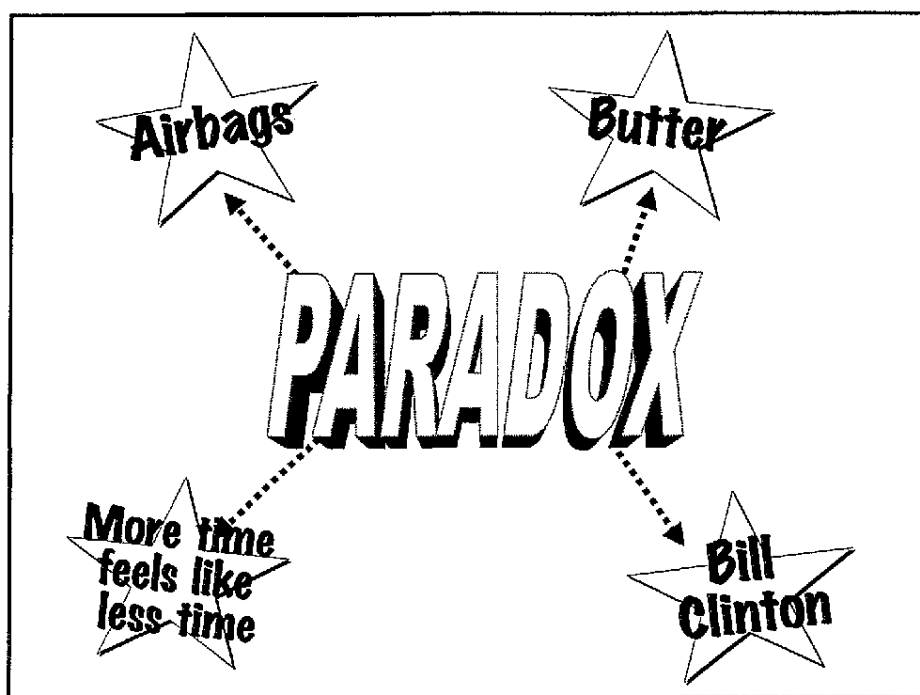
2070088850

# PARADOX: NO ASSURANCES

# 82%

"Life is getting better and worse at the same time"\*

\* Yankelovich MONITOR OmniPlus, March 1998



2070088851

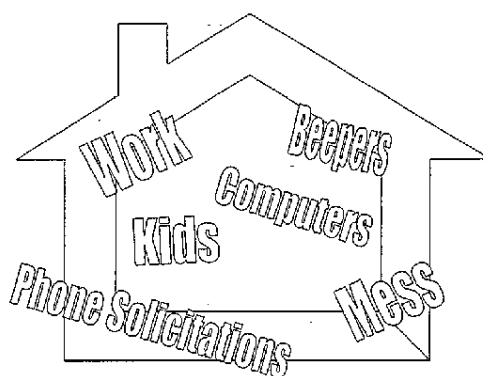
# PARADOX: AT-HOME

*Home As Retreat*

67%

*Sometimes my  
home is the only  
place I can relax  
and unwind*

*Home as Stress Central*



# PARADOX

Changing the rules that guide decision-making

***Making and living with, choices  
that are not wholly good not  
completely right, but simply  
better on balance***

2070088852




# ***PARADOX : DEMANDS A NEW SAVVY***

- To recognize paradox
- To work around paradox
- To live with paradox

What's Essential Today  
→ ***SMARTS*** ←

2070088853

## Guess What's the New Currency of Cool?

Really important to most people:	'85	'97
 Clever in money management	44 %	73 %
Know "in" places to eat	28	60
Aware of latest fitness trends	27	49
Recognized as "in the know"	19	37

## A "Pop Culture" Culture

Feel need to keep up on the latest trends  
in movies, music, TV

	'96	'97	'98
Total	36%	39%	40%
Xers	50	55	57
Boomers	32	37	38



2070088854

# SMARTS: GOT 'EM

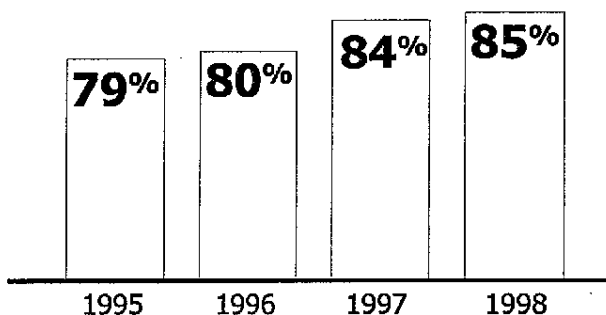
63%

"Believe my IQ is higher  
than most people"

## Smarts

Knowing and doing what's best for me

Important  
to feel in  
charge of  
my life

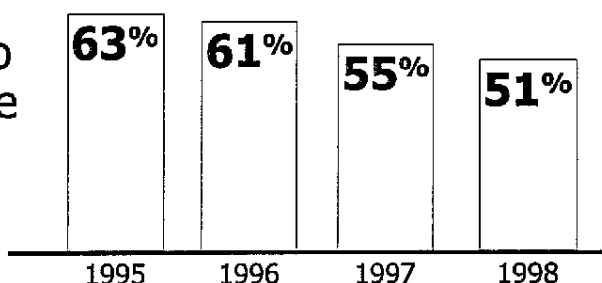


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# Smarts

Knowing when and how to take a stand

Sometimes  
you have to  
compromise  
your  
principles



# Smarts

1994  
**67%**

1998  
**55%**

Risky to buy a brand  
you are not familiar with

2070088856

# THE NEW SMARTS

Changing the rules that guide decision-making

- Knowledge and information becoming more important
- With the look of exclusivity
  - Allying with others the wrong way to satisfy individual needs

# THE NEW SMARTS

Changing the rules that guide decision-making

- Smarts the new benefit consumers want from the marketplace
  - Engaging intellect *and* emotions

2070088857

# Diversity

Creating the optimal mix...and it's reciprocal

Everybody should feel free  
to do their own thing

'95	'98
65%	74%

# Diversity

Technology facilitates customization

81%

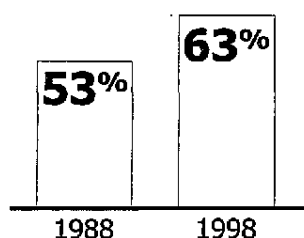
People turned off by new  
technology will be at a  
disadvantage in the future

2070088858

# Enjoyment

Time to enjoy the ride

Prefer spending on  
experiences that  
will enrich my life



# Enjoyment

Have More

# FUN

**The #1 Thing Consumers Expect to Do  
for the Fourth Consecutive Year**

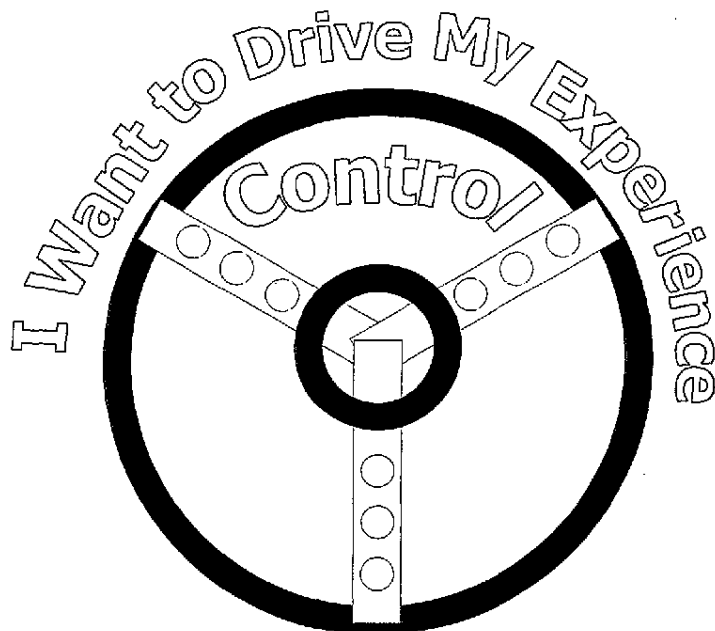
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## More Spending on Fun

12.4%

Increase in spending  
(1997 → 1998)  
on entertainment &  
recreation services

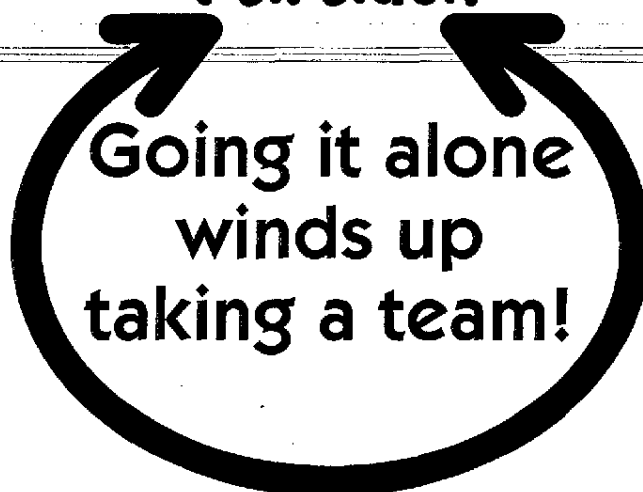
Source: Commerce Department, Business Week, 3/23/98



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## **Paradox**



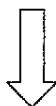
***Something More is Needed !***

## **Self- Reliance**

**The ability to make smart  
choices from alternatives  
produced *by others***

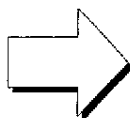
2070088861

**The ability to make smart  
choices from alternatives  
produced *by others***



***Inventing our own  
options***

**Self-  
Reliance**



**Self-  
Invention**

2070088862



**Self-  
Invention**

**DRIVING THE FUTURE  
OF LIFESTYLES**



**Self-  
Invention**

**CHANGING THE RULES  
THAT GUIDE  
DECISION-MAKING**

2070088863

# SELF-INVENTION

Marketplace must  
facilitate and reward  
self-invention

## ME.2: A New Role for Brands

### Less About:

- Image-building
- Dictating options
- Making satisfying choices
- Facilitating independent decision-making

### More About:

- Insisting on inventing the choices
- Consumers turning brands into something of their own
- Preferring brands that can be used this way

2070088864

ME.2

## "Right Hand Brands"

Smart solutions  
for complicated  
lifestyles

Not just tools,  
but tools with  
a set of  
"instructions"

Accessible  
brands to  
resolve tangible  
problems

ME.2

## "Right Hand Brands"

Make smarter;  
Don't step on  
toes

Provide help;  
Not total  
dependence

Empower  
invention;  
Don't dictate

2070088865

**Self-  
Invention**

**CHANGING THE RULES  
THAT GUIDE  
DECISION-MAKING**

**ME.2**

**Everydaying  
It!**

2070088866

# ME.2

In a World Built by ME . . .

**"Everyday  
It" is One  
Name of the  
Game**

## **The Emerging Need to "EVERYDAY IT"**

- Lightening up in a world of Paradox
- Offsetting stress
- No special occasion required
- About enjoyment in the ordinary

2070088867

## Everyday It! (with food and drink)

- A steady 8-in-10 (83%) need to get more pleasure out of life
- The vast majority say bring on the new! 79% of women and 69% of men like to try new dishes and food when they go out to lunch/dinner

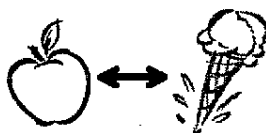


### Opportunity to **EVERYDAY IT** Hinges on Three Trends

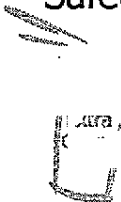
Home Meal  
Replacement



Eating at  
Extremes



Food  
Safety



2070088868



## Home Meal Replacement

- Portability still a very big ticket
- The search for better solutions to convenience and quality in food continues



## On-The-Go Lifestyles

### Did You Know That ...

- ✓ 51% multi-task to get things done
- ✓ 38% leave housekeeping undone
- ✓ 37% get by with less sleep
- ✓ 31% go to drive-thru for meals

#### Translation:

**Be Portable,  
Easy to Use,  
Convenient**

2070088869

## Looking for Take-Out and More

### Xers on the prowl

	Xers	Boomers	Matures
Speed and easy preparation are most important in food decisions	<b>62%</b>	<b>51%</b>	<b>44%</b>
Eating on the run more	<b>57</b>	<b>46</b>	<b>19</b>
Buying more take-out or pre-cooked foods for home	<b>56</b>	<b>40</b>	<b>29</b>

## Extremes Help Navigate Food Confusion

**70%**

Confused about nutrition and what they should or shouldn't eat

2070088870

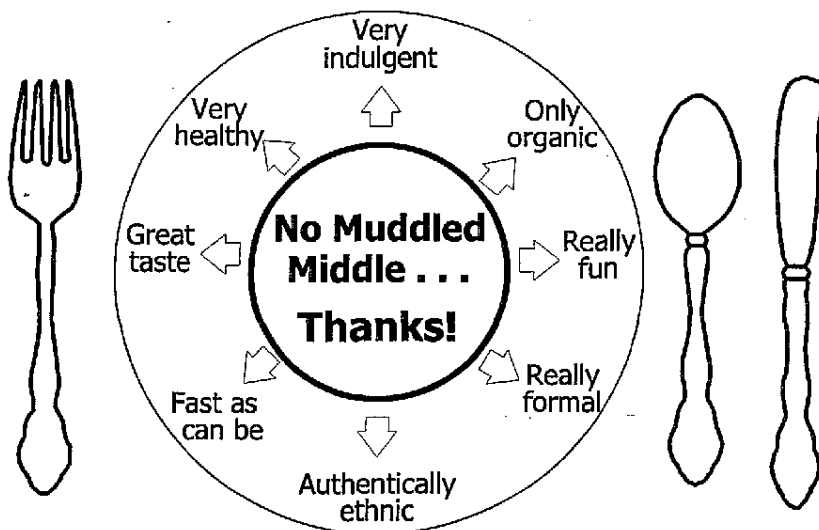
# Everyone's Confused!

Xers    Boomers    Matures

There's so much written  
about nutrition these  
days, it's confusing to  
know what to eat

79%    73%    84%

## Eating at Extremes



2070088871

# Food Safety

Consumers continue to raise  
the bar on safety

**Opportunity for  
Competitive Edge**

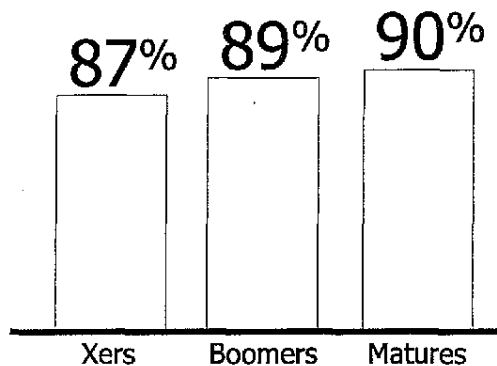
Hard to Enjoy

More to Worry About

Assumed

## Here's Why

I'm taking more  
precautions to  
ensure the  
safety of foods  
I eat



Source: OmniPlus, January 1998

2070088872

ME.2

# Leisure

## Stress Marches On

'92	'98
80%	76%



Feel the need  
to reduce  
stress

'88	'98
17%	26%



Need to take  
something to  
calm my nerves

'88	'98
34%	42%



Concerned  
about getting  
enough rest

2070088873

## Generations Under Stress

	<u>Xers</u>	<u>Boomers</u>	<u>Matures</u>
Feel the need to reduce stress	79%	83%	65%
Need to take something to calm my nerves	33	25	20
Concerned about getting enough rest	50	43	32

## *And the Beat Goes On*

### **Areas *more* stressful than a year ago:**

	<u>Gen Xers</u>	<u>Boomers</u>	<u>Matures</u>
Money concerns	57%	49%	34%
Planning for future	44	38	21
Personal health	27	28	43
Work/job	43	34	14
Children	28	36	16

2070088874

# Xers

■ It's a game of beat-the-clock



## Faster, Smarter Please

Do regularly to save time:	Xers	Boomers	Matures
Skip a meal	<b>46%</b>	32%	17%
Go to a drive-thru	<b>43</b>	34	15
Eat in the car	<b>34</b>	29	9
Get take-out from a supermarket	<b>29</b>	25	14
Buy food from a vending machine	<b>21</b>	9	3

2070088875

**Isn't It Ironical?**

**Balance Backfires!  
Causes More Stress!**

**Isn't It Ironical?**

**Notions of Fun  
Changing Under  
Pressure**



2070088876



## **New Barrier to Leisure**

**Forced  
Fun**

**Lack of Spontaneity**

## **New Barrier to Leisure**

**Inventing is  
more work than  
choosing**

**Need for "My" Fun**

2070088877

**Still in There. . .**

**Work/Play  
Blur**

**Need for "Pure Pleasure"**

**Still in There...**

**"Stacking"**

**Need for A Breather**

2070088878

## Food to the Rescue?

99%

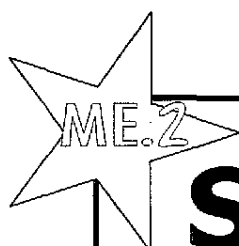
I believe that there are foods which are effective in preventing certain diseases and health problems

## Karma to the Rescue?

Would consider trying:*	1996	1997	1998
Chiropractics	41%	42%	44%
Herbal medications	31	35	35
Massage therapy	29	32	34
Acupuncture	24	25	26
Aromatherapy	11	13	14

\*Base: never tried form of healing treatment

2070088879



**Success**  
**Smarts**  
**Status**  
**Control**  
**The American Dream**

## Guess What's the New Currency of Cool?

Really important  
to most people:

'85

'97

**Clever in money  
management**

**44 %**

**73 %**

**Know "in" places  
to eat**

**28**

**60**

**Aware of latest  
fitness trends**

**27**

**49**

**Recognized as  
"in the know"**

**19**

**37**



2070088880

## A "Pop Culture" Culture

Feel need to keep up on the latest trends  
in movies, music, TV

	'96	'97	'98
Total	36%	39%	40%
Xers	50	55	57
Boomers	32	37	38



## A Dilemma: Smarts are In, But We Need to "Get a Life"

**Fun** is still #1 – fourth year  
running on the to-do list

**A full life beats a full in-  
box**

2070088881

## Getting a Life: Status Does The Twist



## A Tale of Two Spenders

Status is . . .

### 1980s

- Ubiquity
- "Everyone has it"
- Loud and clear
- About showing the world, striking a pose
- Indulgence

### Today

- Exclusivity
- Uniquely me or mine
- In the details
- Keeping it private or personal
- Supporting self-invention

2070088882

## What Matters Today

### It's Personal...and Feeling

Signs of success and accomplishment	Early 1990s	1998
Satisfied with life	63%	82%
Good marriage	62	76
In control of life	57	80
Expensive car	35	19
Shopping at prestige stores	22	11

## What Matters Today

Signs of success and accomplishment	Xers	Boomers	Matures
Satisfied with life	82%	84%	78%
Good marriage	72	78	79
In control of life	80	81	78
Expensive car	31	16	11
Shopping at prestige stores	16	10	6

2070088883

# The Generation on the Move Defines the ~~Dream~~

Matures:  
Economic  
materialism

Boomers:  
Fulfillment  
materialism

Xers:  
Competitive  
materialism

## Shift from Psychology of Affluence Affected.....

The  
*expression*  
of values by  
Boomers

The  
*development*  
of values by  
Xers

2070088884



## GenX Imperatives

- Get the tools needed
- Overcome any obstacles
- Focus on the bottom-line
- Avoid dependency
- Recognize that a full life beats a full in-box

## Xers and the New American Dream

**About "the getting,"  
not about  
"what you get"- about  
balance and achievement  
in all aspects of life**

2070088885

## Xers Say... Show Me the \$\$\$

- Material rewards= freedom from yo-yo tether of economic ups and downs
- Associate no discomfort with materially focused ambitions
  - No apologies
- However, unwilling to give up every other satisfaction in pursuit of material success --avoid Boomer burn-out

Boomers: 1980

59%

Xers: 1993

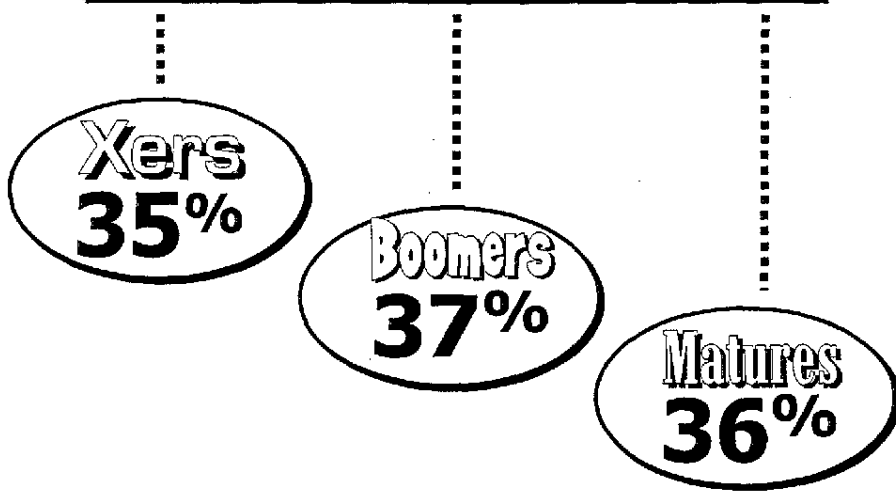
71%

**"Having enough money is very important to my happiness"**

207008386

**Sign of success and accomplishment: "Having a successful investment strategy"**

---



**Objectives of a College Education**

<b>1967</b>	<b>1997</b>
<b>#1 Answer:</b>	<b>#1 Answer:</b>
<b>"Develop a meaningful philosophy of life"</b>	<b>"To be well off financially"</b>
<b>82%</b>	<b>75%</b>

\* American Council on Higher Education survey of incoming college freshman

2070088887

## **Xers Say: Family and Work Can Be a "Win Win" Deal**

Boomer 

Tug-of-war:  
family vs.  
career

Xer 

Planning  
ahead to  
make it work  
for ME.2

**Oh My God ...**



**.... I forgot to  
have children !**

2070088888

## Control's the Thing

Boomers

**72%**

Xers

**76%**

"Lately, I find I'm looking for more ways of getting control over my life."

## Family Stands to Win Big

"Many women in their 20s deliberately . . . arming themselves to the teeth, years before childbirth, to balance work and family on their own terms"

— Wall Street Journal, July 1998

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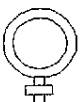

## It's *Not* About Bailing from the Workplace

91%

Women have as much responsibility to support  
a family as men do (women age 25-34)

## It's *Not* About Sacrificing Family





Would like a return to more  
traditional standards: Family life

	'88	'98
Total	69%	79%
 Women 25 to 34	71	82
 Men 25 to 34	62	75

2070088890

## Women in the Lead, Men on the Move

All/most of my satisfaction  
comes from home and family

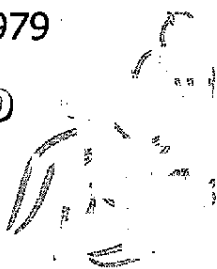
	'81	'88	'98
 Total women	62%	61%	65%
 Women 25 to 34	<b>59</b>	<b>64</b>	<b>70</b>
 Total men	56	54	61
 Men 25 to 34	<b>46</b>	<b>52</b>	<b>60</b>

## Bring on the Kids!

Having a child is an experience  
every woman should have

Boomer Women 1979

45%



Xer Women Now

68%

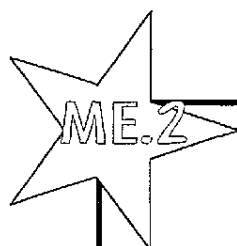
2070088891

## Bring on the Sharing!

Xer women live for more than ME

People should live for themselves  
rather than for children

		'81	'88	'98
Total population		—	49%	43%
Total women		52%	49	42
Women 25 to 34		<b>50</b>	<b>45</b>	<b>37</b>

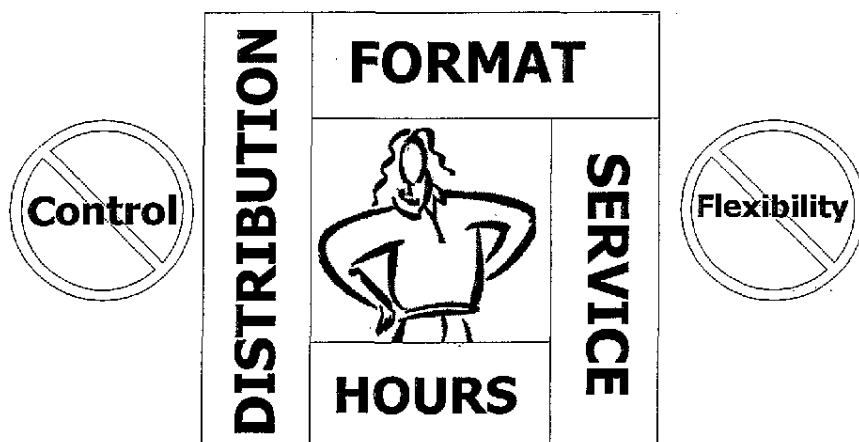


# Doing the Deal

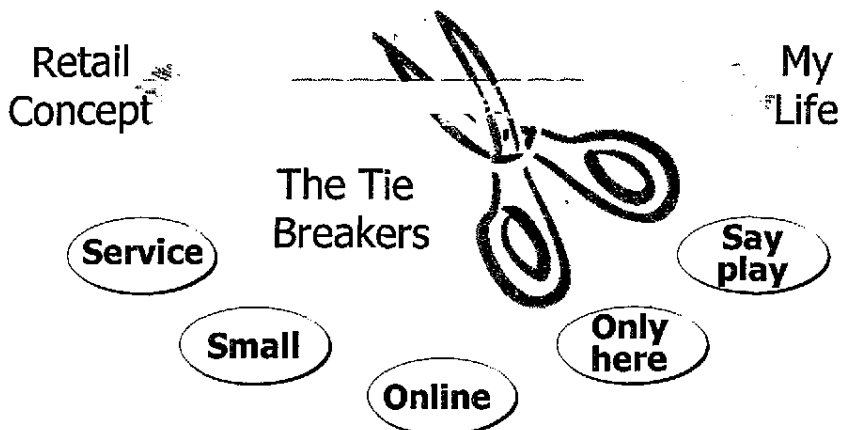
2070088892



## Concepts = Constraints



## A State of Retail Standoff



2070088893

## Pump Up The Service

Break the  
tie,  
win the  
consumer



Tame  
the  
stress  
beast

## Move Over Price — Service Is The Big Player

Very  
important in  
deciding  
where to shop

78%

SERVICE

57%

PRICE

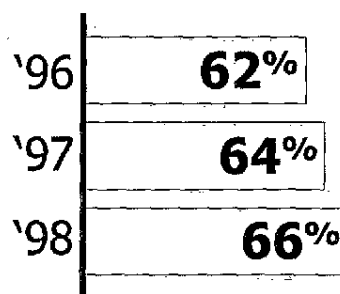
Source: Time/CNN Poll

2070088894

## Plenty Of Room For Improvement

89<sup>0/0</sup>

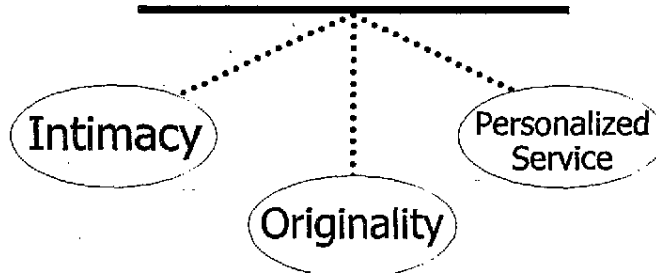
The prices I pay entitle  
me to the highest level  
of customer service



Service people I deal  
with don't care  
about me

## *What About* small?

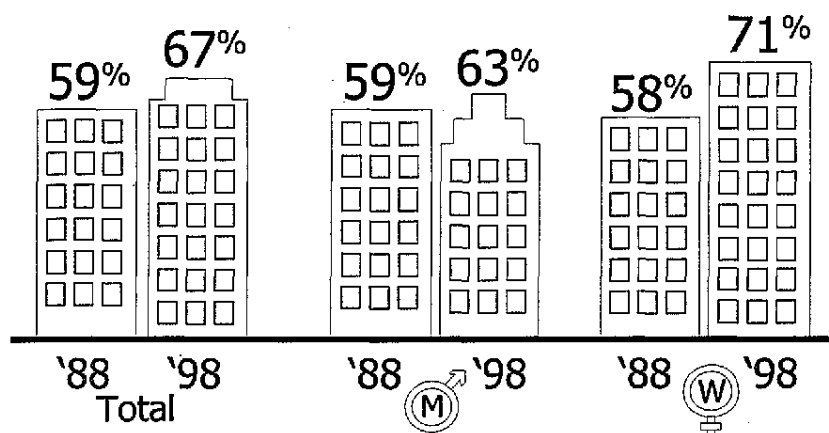
Growing interest in



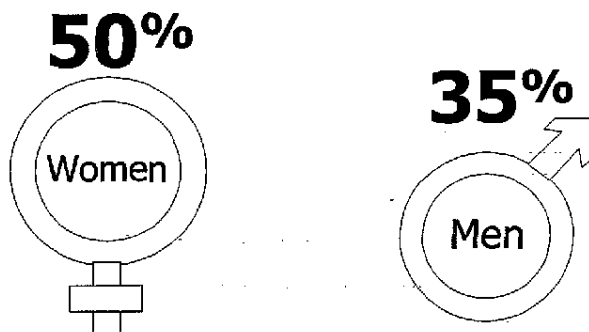
2070088895

## Been Big, Done That

Giant companies have gotten too big to give reliable service . . .



## Women Prefer Smaller Stores

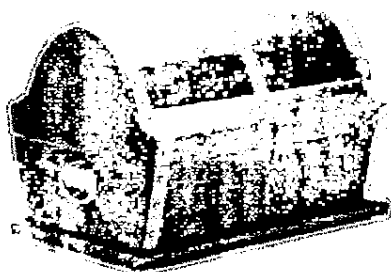


I've been shopping more and more at smaller stores

Source: Yankelovich OmniPlus, May 1998

2070088896

# Everything is Everywhere

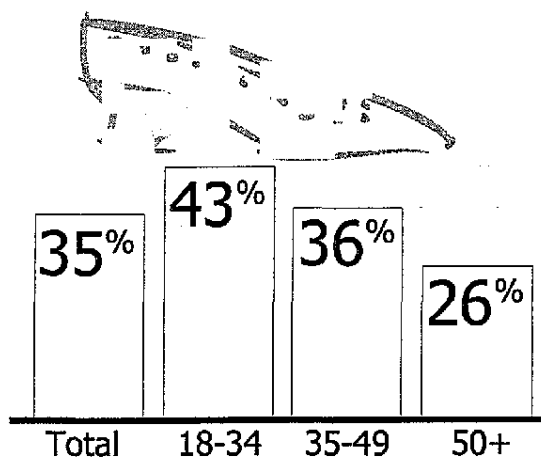


# Exclusivity

Sea of Sameness is  
Off the Mark in ME.2

# Only Here

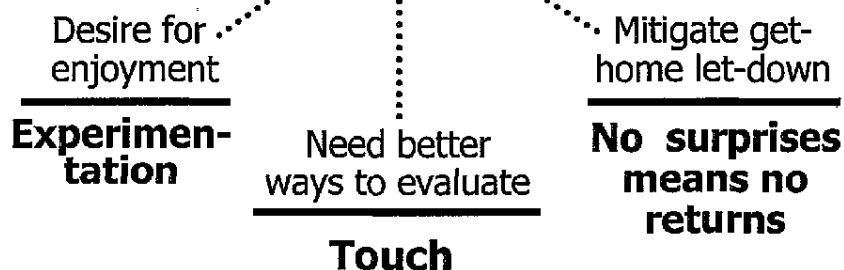
More likely to  
shop at stores  
that offer  
exclusive  
products or  
services



Source: Yankelovich Omnibus, August 1998

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# ME.2 Means Say Play



## Pros

- The "Always Factor"
- Convenience
- Info-intensive

Strong and growing

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## Cons

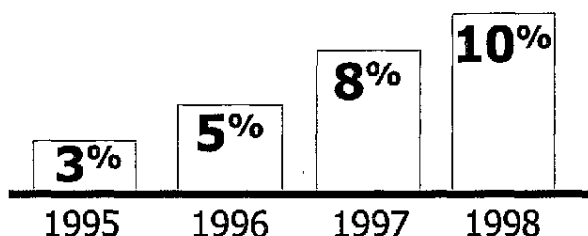
- The un-experience
- No touch/taste
- Tech-hurdles

Fact of life

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## This is Only the Beginning

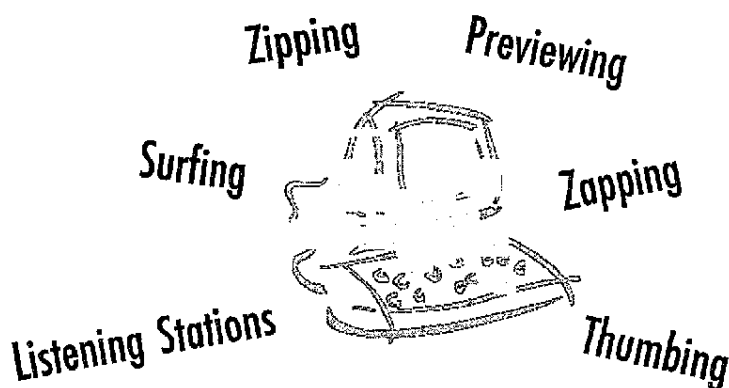
Sources of advice on new products: Online



Online purchasers reported an average of 8.8 separate purchases in 1997

Source: American Internet User Survey, cyberdialogue/findsvp

## Browsing: Not Just the Net



*Browsing the most common media behavior?*

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# Browsing: Not Just the Net

- A primary behavior
  - More than a decision tool
- An alternative to watching, reading
  - Think Headline News, the Weather Channel

ME.2 and Philip Morris

Now What?

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## Enable Everydaying It!

- Create new extremes that aren't "good" or "bad."  
Make it very, very . . . original, focused, fast, portable, cool, nostalgic, family or.....

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## Everydaying It!

- Consider the impact on occasion-based marketing

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## Enable Everydaying It!

- Think packaging

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## "Un"force the Fun!

- Call it what it is — help consumers identify what's leisure and what's not
- On the spot! Encourage spontaneity.

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## "Un"force the Fun

■ Look for consumers to  
"blend" weekdays and  
weekends

- Accommodating  
competing demands,  
interests

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## "Un"force the Fun

■ "Weekblending" means...

- Brunch on Tuesday,  
work on Sunday, mid-  
afternoon breaks
- Rethink FSI's, media  
slots, etc.

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## Not Very, Very Family

- Look out for-cabin fever millennium style
- AKA "out-housing"
- An Xer and Boomer parent dilemma

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## Not Very, Very Family

- Some out-housing flights will be short, close-to-home
- To kid-free, cell phone-free zones?

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**Make Tiebreaking Even Easier!**  
**Go Very, Very....**

■ Off the beaten path

- Small, focused
- Off-beat, off-center

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**Make Tiebreaking Even Easier!**

■ Close the service gap, particularly for GenX

- Relationships more important as trust-builders
- Information not taken at face value

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## Make Tiebreaking Even Easier! Go Very, Very....

- Efficient service not enough
  - A commodity, not an advantage
  - About execution, not inspiration
  - Presumes a mass mentality, not ME.2

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## Make Tiebreaking Even Easier! Go Very, Very....

- Fun
  - Where playing, experimenting is part of the deal, take it new heights
  - Fun and functional, too

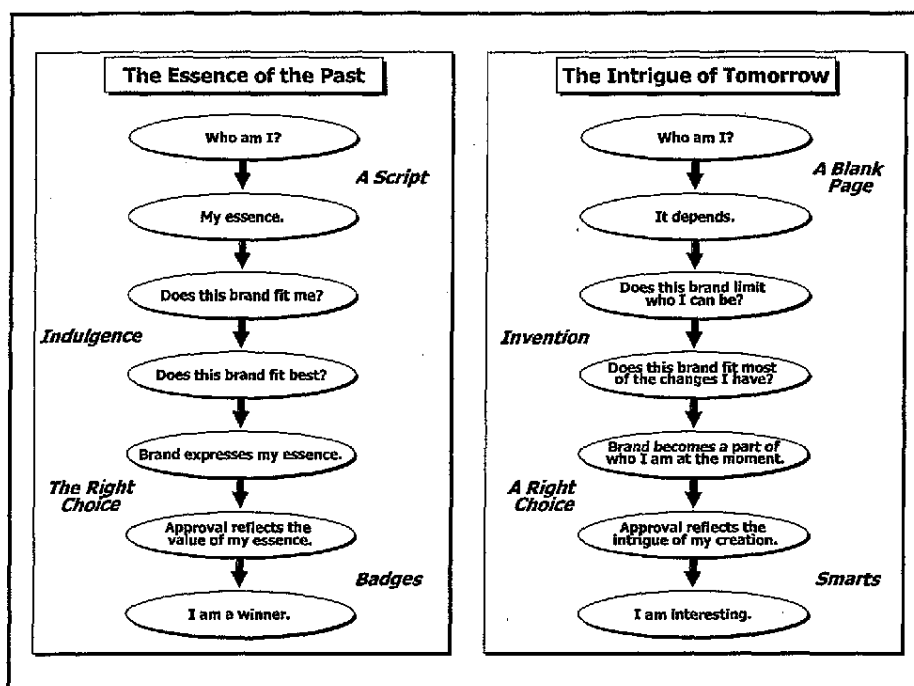
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## Make Tiebreaking Even Easier! Go Very, Very....

### ■ Exclusive

- Only here to counter sameness
- No hype, please



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# YANKELOVICH MONITOR